

IVERSITY
MICHIGAN

17 1051
CHRONOLOGY OF INTERNATIONAL
EVENTS AND DOCUMENTS

RIODICAL
NG ROOM

Supplement to
THE WORLD TODAY

Published twice a month by the Royal Institute of International
Affairs, Chatham House, St James's Square, London, S.W.1

Annual subscription 25s. Per copy 1s.

In the United States, the Chronology may be obtained from the Royal
Institute of International Affairs, New York Publications Office,
542 Fifth Avenue, New York 19, N.Y. Annual subscription \$5.00;
per copy 25 cents.

Volume VII No. 16

9—22 August 1951

AGREEMENTS: ANGLO-CUBAN TRADE	486
ANGLO-FRENCH MONETARY	487
IRAQI OIL	490
JAPANESE PEACE TREATY (REVISED DRAFT)	487
U.S.-PHILIPPINES DEFENCE	503
CONFERENCES: AFRICAN DEFENCE	480
EAST-WEST EUROPEAN TRADE	480
LIBERAL INTERNATIONAL CONGRESS	480
WORLD ZIONIST CONGRESS	506
DISORDERS: INDO-CHINA	489
MALAYA	494
DISPUTES: ECUADOR-PERU	480
KASHMIR	488, 495
KOREA	492-4, 503
PERSIAN OIL	495-9
SUEZ CANAL	481, 500-1
TRIESTE	491
WESTERN NEW GUINEA	495
EUROPEAN ECONOMIC CO-OPERATION	481
GOVERNMENT CHANGES: FRANCE	482
SCHUMAN PLAN	483
SPEECHES: DR ADENAUER ON WEST GERMAN POLICY	486
SIR GLADWYN JEBB ON THE UNITED NATIONS	479
DR SCHUMACHER TO EAST GERMAN YOUTHS	484
M. SCHUMAN ON FRENCH FOREIGN POLICY	483
MR YOSHIDA ON JAPANESE PEACE TREATY	491
STATEMENTS: MR CHOU EN-LAI ON THE JAPANESE PEACE TREATY	479
MR DULLES ON THE JAPANESE PEACE TREATY	502
REPORT ON TANGANYIKA CONSTITUTIONAL DEVELOPMENT	487-8
STOKES PROPOSALS FOR PERSIAN OIL SETTLEMENT	496-7
U.S. NOTE TO RUSSIA ON JAPANESE PEACE TREATY	506

ARGENTINA. 10 Aug.—The Peronista Party issued a manifesto instructing its members to act as informers and report all persons trying to disturb public order and saying they should shadow foreigners known to be working against the country's interests.

11 Aug.—Police reports stated that a hundred persons, including sixty railwaymen, had been arrested after attempts at sabotage on the railways. The railwaymen were charged with refusing to report for work and others with offences against security.

14 Aug.—**Great Britain.** The Government ordered the suspension for at least two weeks, of exports of meat to the United Kingdom because of the growing scarcity of cattle in Argentina.

21 Aug.—It was learned that three British-owned insurance companies had been closed by the Government which had accused them of contravening Argentine insurance laws.

22 Aug.—After a mass demonstration in Buenos Aires organized by the Government-sponsored General Confederation of Labour, Gen. and Mme Péron were nominated by the Council of the Peronista Party as candidates for the Presidency and Vice-Presidency respectively in the forthcoming elections.

AUSTRALIA. 21 Aug.—*Immigration.* Mr Menzies Prime Minister announced that the immigration programme would be recast immediately with the object of obtaining a larger proportion of skilled workmen owing to the need for increased production for defence.

22 Aug.—*Wool.* Mr Menzies announced that Australia would not participate in any allocation scheme for wool or in any proposal that exporting countries should impose price limits. The Government also saw no ground for adopting special measures for the distribution of wool or the regulation of wool prices.

Mr Casey, Minister of External Affairs, who had just returned from a tour of Asian countries, said that in all the eight countries he visited the search for national security was the chief preoccupation and the task would be far easier but for Communist imperialism. He said: 'It is clearly in Australia's interest to do everything possible to help the countries of south-east Asia to achieve and maintain stability and improve living standards. My trip taught me that Australia must show a sympathetic interest in all the problems of Asia—the cultural, economic, political, and to some extent, even military problems.'

BRITISH EAST AFRICA. 21 Aug.—Report on Constitutional Development in Tanganyika (see *Great Britain*).

BURMA. 21 Aug.—*Chinese Nationalist Army.* A diplomatic source in Rangoon stated that Chinese Nationalist troops had stabilized themselves in a buffer zone in south-western areas of the Chinese province of Yunnan and along Burma's eastern frontier. They were being supplied daily by aircraft based in Thailand, and their numbers were being swelled by volunteers from Malaya, Thailand, and Burma when recruiting campaigns were being carried out.

CANADA. 13 Aug.—Addressing a joint meeting of the Canadian and Empire Clubs at Toronto, Sir Gladwyn Jebb, British representative at the United Nations, opposed any idea of turning the United Nations into an anti-Communist alliance by expelling Russia and her satellites. Among the reasons he gave was his belief that some of the countries which had shown themselves reluctant to take sides in the Korean conflict would be unlikely to remain in the United Nations if it became an anti-Communist alliance.

16 Aug.—*United States*: Mr Norman. Mr Pearson, Minister for External Affairs, announced that representations had been made to the U.S. State Department reflecting Canadian annoyance that unsubstantiated allegations had been made at a Senate sub-committee on internal security that Mr Norman, a Canadian official, had had Communist affiliations in the past. Mr Pearson told the press that the Government had complete confidence in Mr Norman.

17 Aug.—*Poland*. Mr Ziemski, a Polish Consul in Canada since 1946, announced that he had resigned his post and would stay in Canada.

CHINA. 12 Aug.—Church sources in Hong Kong stated that the police had imprisoned nineteen Roman Catholic priests, closed twelve parish centres in Peking, and on 25 July put the rest of the city's eighty foreign missionaries under house arrest. The sources stated that the Communists had been campaigning for an 'independent' Catholic Church having no connection with the Vatican.

15 Aug.—*Voice of America* broadcast of report from Tass agent in Peking to Moscow alleging Chinese opposition to Soviet policy in Korea (see *United States*).

Japanese Peace Treaty. Peking Radio broadcast a statement by Mr Chou En-Lai that China would never abandon her 'sacred duty' of liberating Formosa and the Pescadores and that the exclusion of his Government from the San Francisco conference would be opposed by the Chinese people with determination. He described the treaty as one which violated international agreements and which was therefore 'basically unacceptable'.

17 Aug.—*Anti-Government Plot*. An Italian and a Japanese were sentenced to death, a Roman Catholic Bishop to life imprisonment, and others, mostly foreigners, to various prison terms for having plotted with U.S. officials to assassinate Chinese Communist leaders.

Japanese Peace Treaty. A statement by Mr Chou En-Lai, Foreign Minister, setting out the Government's objections to the Anglo-American draft Japanese peace treaty was handed to the heads of diplomatic missions in Peking.

20 Aug.—A report from Hong Kong said that a guerrilla band operating inside China had set fire to military stores, valued at 2 m. Hong Kong dollars, which had been landed on the coast and were awaiting transport to Canton.

21 Aug.—Report of Chinese Nationalist army in Yunnan and Burma (see *Burma*).

CONFERENCE ON AFRICAN DEFENCE, NAIROBI. 20 Aug.—Lord Oggmore, leader of the British delegation, outlining the scope of the conference, said its purpose was to ensure in the event of war an even flow of war materials and troops within Africa. The conference would not be concerned with strategic planning.

21 Aug.—The conference opened. It was attended by representatives from South Africa, Belgium, France, Italy, Portugal, Southern Rhodesia and Britain. An American team of three observers also attended.

Mr Sauer (South Africa) said in the course of his speech: 'We shall seek no facility in the territory of another that we are not prepared to grant to that other in our own country in return.' The Italian delegate pledged his country's desire to collaborate in the defence of peace in Africa and also suggested that the conference should try to iron out difficulties which might retard the progress of territories. The Portuguese delegate made it clear that Portugal's attitude was that only circumstances of emergency would justify requests to his Government for facilities, and that Portugal reserved complete freedom on 'judging the opportunity of execution and of applicability of such recommendations'.

CONGRESS OF THE LIBERAL INTERNATIONAL. 10 Aug.—The fourth Congress, meeting in Stockholm, passed unanimously a resolution condemning concentration camps and deportations in totalitarian countries.

CUBA. 10 Aug.—Trade agreement with the United Kingdom (see Great Britain).

CZECHOSLOVAKIA. 11 Aug.—Italian protest *re* anti-Italian broadcasts (see Italy).

22 Aug.—Note to Britain *re* war criminals (see Great Britain).

EAST-WEST EUROPEAN TRADE CONFERENCE. 20 Aug.—Delegates from Russia, Poland, Hungary, and Britain, France, and Denmark met in Geneva to study measures to increase trade between eastern and western Europe.

ECUADOR. 10 Aug.—Peru. President Galo Plaza, in his annual report to Congress, appealed to the United States, Brazil, and Argentina for new discussions on the eastern frontier with Peru and for outlets to the Amazon tributaries in the trans-Andean region. (These three Powers together with Chile, guaranteed the Rio de Janeiro protocol of 1942 signed between Peru and Ecuador which established the existing frontier.)

11 Aug.—Peru. Demonstrations against 'Peruvian aggression' occurred in several towns, including Quito and Guayaquil.

12 Aug.—The Foreign Affairs Ministry stated that Peruvian troops had made four attacks against Ecuador frontier forces since 9 August.

Aug—
scope of
war and
inference
Aug—
representative
hodes
We shall
board to
delegated
peace in
ron on
Portug
at only
overnment
judging
mend
Aug—
ously i
ons in
om (m
Italian
Aug—
ce, and
between
report
ina for
s to the
owers of
existing
ession
troops
August

EGYPT. 13 Aug.—*Great Britain*. The British Embassy announced that a proposed visit by British warships to Egyptian ports had been cancelled as no reply had been received from the Egyptian authorities to the British application.

16 Aug.—Security Council debate on Suez Canal dispute (*see United Nations, Security Council*).

Great Britain. The British Ambassador issued a statement to the press denying that Mr Morrison had 'closed the door' on Anglo-Egyptian discussions by his speech in the Commons of 6 August and asserting that the Egyptian press had put a 'wholly mistaken construction' on the speech. Passages from the speech were quoted to show that Middle East security was dependent on Anglo-Egyptian friendship and co-operation.

Japan. A Foreign Ministry spokesman said that Egypt did not approve the draft Japanese peace treaty in its present form and was asking for modifications; she rejected the principle of military occupation.

17 Aug.—*Great Britain*. Salah ed Din Pasha, Foreign Minister, told the press that he could not comment on the British Ambassador's statement as he had not seen it, but he insisted that Mr Morrison's speech of 30 July laid the responsibility for the breakdown of Anglo-Egyptian talks on Britain.

19 Aug.—*Great Britain*. Personal messages from Mr Morrison were received by the Foreign Minister and the Prime Minister.

The Foreign Minister announced that the Government had informed the British Embassy on 13 August that 'present circumstances would be incompatible' with the projected visit of British warships to Alexandria. (see 12 August.)

20 Aug.—*Suez Canal*. A special commission, with the Foreign Minister in the chair, decided that Customs officials only should be allowed to search ships passing through the Canal and that these officials should afterwards inform the naval and other authorities concerned.

22 Aug.—Statement by Egyptian Embassy, London, on Anglo-Egyptian negotiations (*see Great Britain*).

ETHIOPIA. 16 Aug.—Troops in action in Korea (*see Korea*).

EUROPEAN ECONOMIC CO-OPERATION. 10 Aug.—*E.P.U.* The report of the managing board of the European Payments Union was published. It analysed the new system of multilateral compensation during the first year of its existence, and the balance sheet showed that the total gross surpluses and deficits for the year, amounting to 3,173 m. units (equivalent to dollars), were reduced by approximately two-thirds to 1,104 m. units. The remaining third, or 1,110 m. units, was settled either by credits or by gold.

16 Aug.—The O.E.E.C. announced its decision to launch a campaign for increased food production by member countries with the aim of achieving an increase of at least 10 per cent by 1952-3.

FRANCE. 9 Aug.—The Radical Party committee decided, by a vote of 73 to 23, to enter M. Pleven's coalition. It was understood that M. Pleven had given the party an assurance that, in any debate on education, the Ministers would refrain collectively from taking sides.

10 Aug.—*Japanese Treaty*. The Foreign Affairs Committee of the Assembly, by 21 votes to 2, adopted a motion deplored the fact that France had no part in drafting the treaty with Japan, and declaring it to be unacceptable that Indo-China should not be a signatory.

11 Aug.—*New Government*. M. Pleven's new coalition Government of Radicals, M.R.P., Peasant Party, and Independents received the Assembly's endorsement by 390 votes to 222. Its composition was: Prime Minister, M. Pleven (U.D.S.R.); Ministers of State, M. Queuille (Radical) and M. Petsche (Independent); Associated States, M. Letourneau; Vice-Premier and Minister of National Defence, M. Bidault (M.R.P.); Deputy Minister of National Defence, M. Bourges-Manouy (Rad.); Secretary of State for War, M. de Chevigné (M.R.P.); Secretary of State for the Navy, M. Gavini (Ind.); Secretary of State for Air, M. Montel (Ind.); Vice-Premier and Minister of Finance and Economic Affairs, M. René Mayer (Rad.); Budget, M. Pierre Courant (Ind.); Industry, M. Louvel (M.R.P.); Commerce and Foreign Economic Relations, M. Pfimlin (M.R.P.); Agriculture, M. Antier (Peasant Party); Labour, M. Bacon (M.R.P.); Reconstruction, M. Petit (U.D.S.R.); Secretary of State for Economic Affairs, M. Hugues (Rad.); Secretary of State for Commerce, M. Delcos (Rad.); Secretary of State for Agriculture, M. Laurens (Peasant); Justice, M. Faure (Rad.); Foreign Affairs, M. Robert Schuman (M.R.P.); Interior, M. Brune (R.G.R.); Education, M. André Mare (Rad.); Transport and Public Works, M. Pinay (Ind.); Overseas France, M. Jacquinot (Ind.); Ex-Servicemen, M. Temple (Ind.); Health, M. Ribeyre (Peasant); Posts and Telegraphs, M. Laniel (Ind.); Merchant Marine, M. Morice (Rad.); Information, M. Buron (M.R.P.); Secretaries of State at the Prime Minister's office, M. Gaillard (Rad.) and M. Bruynel (Peasant); Secretary of State for Foreign Affairs, M. Maurice Schumann (M.R.P.); Secretary of State for the Interior, M. Colin (M.R.P.); Secretary of State for Fine Arts, M. Cormu (R.G.R.); Secretary of State for Technical Education, Youth, and Sports, M. Chevallier; Secretary of State for Public Works and Tourism, M. Duchet (Ind.).

12 Aug. M. Chevallier, the new Secretary of State for Technical Education, Youth, and Sports, was shot dead by his wife.

13 Aug.—U.S.S.R. The Quai d'Orsay announced that they had been informed by the Soviet Government that fifteen prisoners-of-war from Alsace-Lorraine would be handed back to France. The Quai d'Orsay pointed out that this was the first result of repeated requests to Russia for the release of Alsace-Lorrainers enrolled in the *Wehrmacht* during the war, of whom seventy-eight were known to be in Russian camps.

20 Aug.—Anglo-French monetary agreement (see *Great Britain*). *Indo-China*. It was announced that Gen. de Lattre de Tassigny would leave for Washington on 7 September and that his discussions

here with U.S. officials and military leaders would cover: (1) the repercussions of an armistice in Korea on the situation in Indo-China; (2) the creation of the Viet-Namese army and its needs in money, arms, and equipment; (3) the political situation in Viet Nam, including the status of the country within the French Union.

22 Aug.—*Italy*. A Foreign Office spokesman said that France had consulted other western Allies on the best method of removing from Italy any existing stigma resulting from the peace treaty and other official documents, as a tribute to her excellent democratic record since 1943. He said that a revision of the peace treaty was impossible at present owing to Russia's attitude, but he suggested that it might be possible to secure modification of the terms by admitting Italy to the United Nations and then submitting the terms to the Security Council.

Germany. M. Schuman, Foreign Minister, told the Council's Foreign Affairs Committee that it was a fundamental principle of French foreign policy that 'we do not want the creation of a German national army under control of the German Government'. He said that French delegates at the Washington and Ottawa conferences would insist on the principle of a European army under a supra-national authority.

Tunisia. Questioned about the recent visit to London of M. Habib Bourguiba, the Tunisian Nationalist leader, M. Schuman said that representation had been made in London and the British Government had given assurances that the visit was a purely private one.

Indo-China. M. Schuman said that although France and the Associated States of Indo-China were not parties to the Pacific Security Pact, the French Government had obtained the insertion of a clause providing for consultation between signatories and other Powers concerned with the situation in the Pacific.

Schuman Plan. He said the Schuman Plan could not be ratified before 18 October but steps would be taken to ensure a progressive substitution for the Ruhr Authority of the new authority provided by the plan. The cartelization of German coal and steel distribution would continue in relation both to 'horizontal and vertical concentrations'.

GERMANY. 10 Aug.—*West Germany*. Herr Blücher, Vice-Chancellor and Minister for Marshall Aid, asked to be relieved of his post as leader of the delegation to the International Authority for the Ruhr. (He was the most prominent leader of the Free Democratic Party.)

11 Aug.—*Coal*. The International Authority for the Ruhr decided to retain the German coal export quota at 6,200,000 tons. Only the German delegation voted against the decision.

East Berlin. At a press conference attended by Herr Grötewohl, Premier, and other members of the east German Government, a White Book was issued on the 'American-English policy of intervention in western Germany and of the revival of German imperialism', and statements were also read in which the United States and Britain were accused of militarism and imperialism.

12 Aug.—*East Berlin: Communist Youth Rally*. A parade of young

GERMANY (*continued*)

Germans—estimated at about 1,500,000—took place in east Berlin.

13 Aug.—*West Berlin*. At the opening of the first demonstration in Germany of television in colour, a message to Germans from President Truman was transmitted in which he said: 'The hearts of the free world are with you. We desire and pray, as you do, for a peaceful world with equal opportunities for all.'

Berlin: Trade. Trade talks between east and west German representatives were resumed.

14 Aug.—*West Germany*. Brigadier Gibson, *Land* Commissioner for Lower Saxony, replied at Hanover to reports in the German press on damage to crops caused by British troops under training. He pointed out that the Federal Government had itself asked for additional troops for defence against the threat from the east and that the damage did not exceed what German troops in similar circumstances would have caused.

15 Aug.—*Berlin*. Clashes occurred with the police when more than 6,000 Communist youths marched into west Berlin from the eastern sector and began an anti-U.S. demonstration. West Berlin police drove them back with truncheons and jets of water. Five policemen were injured and more than 100 youths arrested.

West Germany. Dr Schumacher, leader of the Social Democratic opposition, repeated his demand for new elections to the *Bundestag* which he said must be a condition for his party's co-operation in any Government.

16 Aug.—*Berlin*. Dr Schumacher spoke to several hundred east German youths and told them that under Soviet domination Germany could never hope to be a first-class nation because real unity would endanger the satellite system and they would have to agree to a nominated, not an elected, Government. Also the Russians would insist on final recognition of the Oder-Neisse line, on a voice in the management of the Ruhr, and on reparations from current production. He said Germany could only join the west militarily if it were clear that the allies were prepared to go to war for her and to carry the war eastwards beyond her boundaries and not limit it to German soil.

The British Commandant made available to youth hostels in Berlin several tons of Army reserve food stores for the entertainment of youths from east Berlin.

The Senate announced that it would continue to offer hospitality to all youths coming from east Berlin in a spirit of friendship but would act rigorously against organized bands of mischief-makers.

It was announced that the number of Communists arrested on the previous day was 116. A few were sentenced to 7-10 days' imprisonment.

West Germany. The central executive committee of the Free Democratic Party—the second largest in the Government coalition—unanimously approved Herr Blücher's policy.

17 Aug.—Herr Blücher issued a statement announcing that his decision to withdraw from the Ruhr Authority was final.

Dr Schäffer, Finance Minister, told the Foreign Press Association that there was a grave danger that the Treasury might have to suspend

payments in the autumn owing to shortage of money. He said that, even if new taxes were possible, the money could not be collected in time to avoid a crisis.

Berlin. Mr McCloy, U.S. High Commissioner, Herr Kaiser, West German Minister for All-German Affairs, and Dr Schumacher all addressed east German youths in Berlin.

19 Aug.—*Berlin: Youth Rally.* The Communist youth rally ended with a mass meeting of at least 250,000 people which was addressed by Herr Grotewohl. He demanded a five-Power peace pact and said that German youths would refuse all military service for 'American imperialism'. The youths were called on to vow to oppose war and armament, to improve the standard of living of youth, to maintain and expand unity in the fight for peace, and to work for a five-Power peace pact.

West Germany. The Finance Ministry issued a statement designed to show that, in comparison with the U.S. and British standards of life, that of western Germany was 'quite modest'. It assessed the average amount remaining after deduction of taxes and expenditure on necessities as 1,227 marks a year per head, compared with 1663 marks for France, 2,002 marks for Britain, and 2,515 marks for the United States. Other figures were also given to refute allied allegations of 'excessive luxury'.

20 Aug.—*Berlin.* A United States official, Mr Henderson, was released by the Soviet authorities after having been arrested by the east German police and detained for eighteen hours.

West Germany. Herr Blücher had an interview with the Chancellor, Dr Adenauer, after which he stated that they had agreed that the coalition should continue.

West Germany: Anti-Soviet Russian Organization. Mr Alexander Kerensky, Premier of the Russian Provisional Government of 1917, who had been attending a four-day meeting in Stuttgart of Russian refugee groups, announced the formation of a new anti-Soviet organization to wage a propaganda war against the Soviet regime. The group would set up a powerful radio station. Funds would be received from the American Committee for the Liberation of the Peoples of Russia.

Gen. Bulba-Borowetz, Commander of the anti-Soviet Ukrainian National Guard, told the press in Munich that the 200,000 men left from the war-time anti-Soviet fighting groups in the Ukraine had been forced to continue the struggle underground.

Berlin. The east German railways held up at Marienborn on the zonal border three coal trains running from west Germany to west Berlin.

21 Aug.—*Youth Festival.* Figures were published to show the efforts made in west Berlin to feed and enlighten Communist youths from the eastern sector during the youth festival. A million youths were counted in youth hostels and places of entertainment, though the actual number was smaller because some went to more than one place, and 750,000 books or newspapers and 450,000 pamphlets were distributed.

West Germany. A Cabinet meeting took place after which a Government spokesman said that it had led to a 'decisive easing' of the domestic political atmosphere.

GERMANY (*continued*)

A scheme to grant U.S. financial aid amounting to about 15 m. mark to the democratic press in west Germany and west Berlin was made public in the U.S. High Commissioner's quarterly report to the U.S. Government on German affairs.

The report also spoke of a new campaign launched by the Communists among German ex-servicemen to weaken German support for western defence.

Berlin. The U.S. Commandant protested to the Head of the Soviet Control Commission against the arrest and detention of Mr Henderson and demanded an investigation and punishment of those responsible.

22 Aug.—West Germany. Dr Adenauer, Federal Chancellor, said in a broadcast that his main tasks in the autumn would be to obtain a system of bilateral agreements in place of the Occupation Statute, to secure the ratification of the Schuman Plan, to arrive at a compromise over the question of armament costs, to obtain trade union co-operation, and to prevent the growth of reactionary nationalistic movements. He deplored the lack of co-operation from the opposition in the Government's foreign policy and said that it would be valuable to have it in re-establishing full equality of rights for Germany. He said that the Cabinet were determined that prevalent gloomy forebodings about the economic situation should not be fulfilled. They would vigorously support all steps to increase production, and the stability of the currency would be maintained. He strongly criticized the activities of neo-Nazi groups and said the Government would need the co-operation of all really democratic forces to counter them. He held it to be irrelevant to reject the Schuman Plan because of decisions made by the Ruhr Authority. He believed a solution could be found regarding occupation costs.

Berlin. Russian Refugees. Major Klimow, a refugee Russian officer who had become chairman of a group called the Association of Post-war Russian Refugees, told the Press there were now 1,200 such refugees registered. He considered that more help in resettlement should be given these refugees and that the Allies should do more to reach the ear of the men in the Russian forces.

More than 11,500 members of the Communist Free German Youth crossed into the Federal Republic after attending the youth festival in east Berlin. It was stated that they would be sent back after checking.

GREAT BRITAIN. **10 Aug.—Cuba.** A trade agreement was signed with Cuba, to be in force till the end of 1953, providing for the reduction of Cuban rates of import duty on about eighty British products to the same rate as those levied on similar products imported from the U.S.A. Britain undertook to import not less than 1½ million tons of sugar in the three years 1951–53 and to license the import of Cuban cigars to a value of \$500,000 in each year 1952 and 1953.

13 Aug.—India. *The Times* published a letter from Gen. Gracey, C.-in-C. of the Pakistan Army from 1948–51, who referred to recent allegations in India (see India, 16 July) and denied categorically that any

British officer who had served or was still serving in Pakistan or India had taken part in planning aggressive action against either country.

Oil companies' agreement with Iraq (*see Iraq*).

Cancellation of warships' visit to Egyptian ports (*see Egypt*).

14 Aug.—Suspension of Argentine meat shipments (*see Argentina*).

15 Aug.—*Wool Price Plan*. The Ministry of Materials published a White Paper (Cmd. 8329) giving details of a plan of reserve prices for wool, devised by the Governments of the United Kingdom, Australia, New Zealand, and South Africa.

Japanese Peace Treaty. The Foreign Office issued the text of the revised draft treaty which contained some thirty amendments to the draft of 12 July. The two principal amendments provided: (1) for recognition by the allied Powers of full Japanese sovereignty over Japan and its territorial waters; and (2) that Article 9 of the Potsdam Proclamation of 26 July 1945, dealing with the return of Japanese military forces to their homes, would be carried out to the extent not already completed.

E.C.A. The E.C.A. mission to the United Kingdom announced an advance of £3 m. for copper and cobalt mining in Northern Rhodesia.

16 Aug.—British statement on Anglo-Egyptian relations (*see Egypt*).

17 Aug.—Statement by Egyptian Foreign Minister on Anglo-Egyptian deadlock (*see Egypt*).

18 Aug.—Mr Robens on employment of Italian labour (*see Italy*).

Berlin Youth Rally. The Foreign Office issued a statement on recent incidents connected with the Communist youth festival in Berlin. It said that no British subject had been prevented from leaving Britain to attend, and gave a detailed account of the reasons for the detention in Austria by the U.S. authorities of a party not having the usual travel documents insisted on by the Soviet authorities. Some British subjects were accused of having 'condoned aggression' at the rally.

19 Aug.—*U.S.S.R.* Mr Wyatt, Financial Secretary to the War Office, speaking at a Labour rally at Feltham Park, said that Russia's military strength was reliably estimated at 215 divisions.

20 Aug.—Mr Eden's speech in Chicago (*see United States*).

France. An Anglo-French monetary agreement was signed at the Foreign Office. It brought up to date the existing bilateral payments agreement by providing that interim financial payments should be made through the European Payments Union.

21 Aug.—*Tanganyika*. The Colonial Office published the report of the Committee on Constitutional Development 1951 in Tanganyika which was set up in 1949 by the Governor of Tanganyika. The report recommended that self-government should be achieved by stages and that the official majority on the Legislative Council should be maintained for the next few years. Other recommendations included (1) that membership of the Legislative Council should be increased from fifteen to twenty-one official and from fourteen to twenty-one unofficial members, that the Governor should continue to preside over the Council, and that the unofficial seats should be divided equally among the three main races—European, Asian, and African; (2) that an African be appointed to the Executive Council; (3) that present provinces should

GREAT BRITAIN (*continued*)

be regrouped into regions with administrations supported by inter-racial regional councils which would control expenditure by the voting of regional budgets, control regional policy, and exercise general power of question and criticism; (4) that the central Government should decentralize many of its administrative and executive powers to the regional administrations; (5) that inter-racial county councils be established through the country, and that councils of township authorities should progressively shed official members and non-racial representation be introduced; (6) that the franchise should not be limited to ratepayers.

22 Aug.—*Egypt*. The Egyptian Embassy issued a statement in reply to that of the British Embassy in Cairo of 16 August. It said that the parts of Mr Morrison's speech of 30 July published in the Egyptian press had completely corresponded with the text given by the report (in Hansard) and they had had an extremely bad effect on public opinion in Egypt. It stated that it was absurd and illogical to deny that the speech had closed the door on Anglo-Egyptian relations.

It was learnt at the Foreign Office that it was not intended to reply to the statement.

Czechoslovakia. The Foreign Office received a Note from the Czech Embassy in reply to a British Note of December 1950 which had notified the Czech Government that the British Government would no longer regard themselves as obliged to deport war criminals against whom a *prima facie* case had been made out. The Czech reply protested against the decisions, accusing Britain of protecting war criminals and of combining this policy with the rearming of Germany.

HONG KONG. 22 Aug.—*Defence*. Legislation was introduced in the Legislative Council for compulsory training of man-power and the reorganization and expansion of the volunteer services.

HUNGARY. 18 Aug.—Mr Revai, Education Minister, described charges that Hungary's economy was being rebuilt by slave labour as an 'idiotic lie'. He denied that the five-year plan was aimed at rebuilding Hungary's war potential and that Soviet help in carrying out the plan was turning Hungary into a Soviet colony.

19 Aug.—*Church and State*. It was learned from the official Roman Catholic news service, *Magyar Kurir*, that Bishop Hamvas, curator of Church estates, had issued an appeal on 8 August to all parishes to offer lands owned by them to the State.

INDIA. 11 Aug.—*Congress Crisis*. The resignations from the Congress Party Working Committee of Mr Nehru, Prime Minister, and Mr Maulana Azad, Education Minister, as a result of dissension in the Party, were announced.

Kashmir. Mr Nehru told Parliament that India had won the battle of Kashmir from 'a psychological point of view' because the ideal of communal harmony, for which the Kashmir Prime Minister, Sheikh Abdullah, and the Kashmir National Conference stood, had triumphed.

over Pakistan's two-nation theory. He said that India ruled out war for the settlement of any dispute with Pakistan but nevertheless had to be prepared. The Government had, however, avoided taking civil defence measures because they were confident they would not be invaded. He was convinced that only friendly relations between India and Pakistan would ultimately settle their problems and that these would eventually be established.

12 Aug.—Pakistani Note and White Paper on Indian propaganda (*see Pakistan*).

17 Aug.—*Pakistan*. Mr Nehru announced in Parliament that Pakistan had refused to approve an airline scheme to link India with Afghanistan on the ground that the route involved flights over prohibited areas.

18 Aug.—Pakistani protests *re* Indian statements concerning Abdul Ghaffar Khan (*see Pakistan*).

21 Aug.—*Congress Party Crisis*. Mr Nehru told the Parliamentary Congress Party that he had decided to leave the party executive because of his sense of failure to arrest disintegration and disruption within Congress. He thought his resignation might shake the party out of the rut it had got into. After hearing his reasons, a resolution was passed unanimously reiterating confidence in his leadership.

INDO-CHINA. 19 Aug.—A report from Saigon said that in a recent speech Ho Chi-Minh, the Viet-Minh leader, had strongly emphasized the supply difficulties of the rebel army and the need to boost morale in the Viet-Minh zone.

20 Aug.—Proposed French-U.S. talks on Indo-China (*see France*).

22 Aug.—Invitation of Associated States to Japanese peace treaty conference (*see United States*).

INDONESIA. 12 Aug.—*Northern Sumatra*. Reports reaching Jakarta said that Medan in Northern Sumatra had been cordoned off by the Army and police and hundreds of persons alleged to be engaged in subversive activities had been arrested.

13 Aug.—Reports reaching Singapore from northern Sumatra said that army units had been withdrawn from Medan and normal air services from Malaya resumed.

16 Aug.—A three-day security drive against law-breakers was reported from Jakarta to have led to the arrest of more than thirty persons including twelve members of Parliament (five Communists, three Labour, three Peasant Party, and three non-party Left). Some of the Labour and Peasant Party members were released later.

The Government announced that all persons found carrying arms illegally would be liable to the death penalty.

17 Aug.—According to a reliable report reaching Singapore from Jakarta, all leaders of the Indonesian Communist Party had been arrested. Total arrests during the past week were estimated at about 300, including 100 in Jakarta.

19 Aug.—Netherlands-Indonesian negotiations and Dutch statement on western New Guinea (*see Netherlands*).

IRAQ. 13 Aug.—*Oil Agreement.* The Government announced a new oil agreement with the Iraq Petroleum Company, the Mosul Petroleum Company, and the Basrah Petroleum Company under which Iraq would receive half the companies' profits (before payment of foreign taxes) derived from operations in Iraq. The half-share would be paid partly in crude oil and partly in taxes. A clause provided that if under any future arrangements with oil companies a neighbouring Government should receive a higher revenue per ton of oil than that received by Iraq, the Iraqi Government would have the right to request a similar increase from the three companies. A number of Iraqi directors would be appointed to the companies' boards, and facilities would be given at the companies' expense for Iraqis to study oil subjects both in Britain and Iraq. No foreigners would be employed in future if suitable Iraqis were available. The agreement was subject to ratification by the Iraqi Parliament.

IRELAND. 14 Aug.—U.S. committee's resolution in favour of Ireland's unification (see *United States*).

ISRAEL. 9 Aug.—Large-scale military manoeuvres began throughout the country. The Chief of Staff issued a warning that Israel might find herself 'at war with an Arab State with which there is no armistice agreement'. (Iraq.)

14 Aug.—*World Zionist Congress (g.v.).*

15 Aug.—Dr Weizmann asked Mr Ben Gurion, leader of the Mapai (the largest party in the new Parliament) to form a new Government.

16 Aug.—Security Council debate on Suez Canal dispute (see *United Nations, Security Council*).

ITALY. 9 Aug.—*New Government.* The Chamber gave the Government a vote of confidence by 291 votes to 175, with 42 abstentions (Democratic Socialists and Liberals). During the debate the Prime Minister, Signor De Gasperi, emphasized the need to defend Italian democracy against the Communist and neo-Fascist threat.

Signor De Nicola resumed the presidential chair in the Senate.

11 Aug.—*Czechoslovakia.* A Note protesting against anti-Italian propaganda broadcasts from Czechoslovakia was delivered to the Czechoslovak Legation.

15 Aug.—It was learned that twenty persons had been arrested and five policemen injured as a result of clashes in Florence during a 'peace' demonstration against the choice of Florence as the H.Q. of the N.A.T. Southern Air Command.

18 Aug.—*Great Britain: Labour.* Mr Robens, British Minister of Labour, who was visiting Italy, gave the press an assurance that he would re-examine with the trade unions and employers' associations in Britain the question of employing Italian labour and would try to stimulate Italian emigration.

19 Aug.—*San Marino Republic.* It was learned that the Government

had reached an agreement with the Government of San Marino under which the gaming house in San Marino would be closed and Italy would raise her blockade of Italian visitors to the Republic and would pay the Republic 150 m. lire.

20 Aug.—*Trieste*. In an interview published in the *Gazzettino* of Venice, Signor De Gasperi said that Trieste could not be the 'subject of barter' and that the starting point for any solution of the question must be the word given by the Allies regarding the passage of the Free Territory to Italian sovereignty.

22 Aug.—French statement on removal of peace treaty stigma (see France).

JAPAN. 10 Aug.—*Peace Treaty*. French views regarding the treaty (see France).

12 Aug.—Soviet acceptance of invitation to attend peace treaty conference (see U.S.S.R.).

14 Aug.—The Government suspended twenty Communist newspapers, and the police confiscated many journals and leaflets in raids throughout the country.

15 Aug.—Revised draft peace treaty (see Great Britain).

Mr Dulles on the peace treaty (see United States).

Mr Chou En-Lai on the peace treaty (see China).

16 Aug.—U.S. Note to Russia *re* Japanese peace treaty conference (see U.S.S.R.).

Mr Yoshida, Prime Minister, speaking to the Diet on the proposed peace treaty, pointed out the terms advantageous to Japan and praised it as being fair and generous and without parallel in history. He referred to the flexible provisions regarding the Ryukyu and Bonin islands and expressed the hope that practical measures would be taken to meet the wishes of those islands' inhabitants. He reminded the Diet that certain countries which had been attacked or menaced by Japan could not be expected to like a treaty 'so equitable and magnanimous'.

17 Aug.—Soviet announcement *re* peace treaty conference (see U.S.S.R.).

Chinese Communist statement on objections to peace treaty (see China).

18 Aug.—*Peace Treaty*. The 'peace treaty' session of the Diet ended after two days of interpellations during which the Democratic Party strongly criticized the treaty, especially the stationing of U.S. troops in Japan after its signature. The Prime Minister was also attacked for refusing to disclose the details of the proposed security arrangement with the United States. Mr Yoshida said he would not allow the Diet to be dissolved and an election to take place until after ratification of the treaty.

Occupation Costs. The Finance Minister informed the Diet that the cost to Japan of garrisoning U.S. troops was estimated not to exceed 100,000 m. yen a year.

22 Aug.—Mr Acheson on Japanese relations with China (see United States).

JORDAN. *Erratum.* Entry on 16 July should have read: 'Riad Bey Es Solh, former Prime Minister of the Lebanon . . . was shot dead in Amman' etc.

KOREA. 9 Aug.—Peking radio broadcast a statement by the two Communist commanders accepting the conditions for the resumption of the armistice discussions. They stated that they had 'seriously ensured strict adherence to the agreement concerning the neutralization of the Kaesong area', and it was therefore 'inconceivable that there will be any further failure on our part to comply with the agreement unless you should deliberately fabricate incidents as an excuse to terminate the armistice negotiations'.

10 Aug.—Admiral Joy informed the Communists that the U.N. delegation would be ready to resume discussions that afternoon. The meeting broke up after over four hours, during over two of which no word was spoken. Admiral Joy then asked if Gen. Nam Il had any proposal by which the deadlock could be broken, but the only reply was that the 38th parallel must be accepted as the truce line.

U.N. patrols were reported to have entered Pyongyang. Bombs attacked Pyongyang and also enemy roads and railways.

U.S. Army estimates gave the total of enemy casualties up to 31 July as 1,237,872, including 164,838 prisoners.

11 Aug.—Admiral Joy charged the Communist delegation at the truce talks with having come only 'to present demands not to negotiate solutions'. He also said that the United Nations was demanding a strong defensive position—which it was at present holding—because there was doubt whether the Communists would observe faithfully the terms of any armistice signed.

U.N. forces repulsed enemy probing attacks in the Yanggu area.

12 Aug.—Gen. Nam Il produced at the armistice conference a map showing the proposed truce line a little to the north of the parallel but south of the actual operational front on which allied counter-proposals were based.

13 Aug.—Truce talks continued at Kaesong but no impression was made on the deadlock over the buffer zone. Later a statement by Gen. Nam Il was broadcast that negotiations would not make progress unless the U.N. Command changed its attitude on the demarcation of the zone.

Allied air operations increased, but the front generally was quiet.

14 Aug.—Truce negotiations were continued at Kaesong without result.

Gen. Ridgway, U.N. Supreme Commander, Far East, reaffirmed to the press that the allies would not withdraw to the 38th parallel which was militarily indefensible. He made it clear, however, that he was willing to make adjustments in the line as required by topography and the logic of events. He said the Communists' offensive potential was increasing every day.

Allied naval and air bombardments continued, Pyongyang being one of the main targets.

15 Aug.—A Communist protest that the Allies had violated the

neutrality of the Kaesong area by machine-gunning supply vehicles at Sibyon was rejected by Admiral Joy who said that no notification had been received, as was required, of the vehicles' movements.

Admiral Joy proposed at the armistice negotiations the appointment of a sub-committee composed of one member from each delegation with a staff of assistants to discuss the issue of the buffer zone.

A sharp ground action was fought on the eastern front at Kansong where allied forces were dislodged from a hill position.

16 Aug.—The Communists accepted the allied proposal for the appointment of a small sub-committee to deal with the question of the demilitarized zone, but suggested that it be composed of two representatives from each side instead of one. This was agreed to by Admiral Joy. It was understood that the main delegations would not meet during the sub-committee's negotiations.

There was a marked increase of patrol activity on the front. An Allied thrust between the Hwachon reservoir and the east coast was repelled by the Communists.

The 8th Army announced that Ethiopian troops had been in action for several days.

South Korean request to United States for payment for supplies to U.S. troops (*see United States*).

17 Aug.—The sub-committee of four held its first meeting.

Patrol activity continued on the front. Bad weather limited air operations.

U.S. comment on South Korean request for payment for supplies (*see United States*).

The Korean Economic Aid Division of G.H.Q. Tokio stated that U.S. Government agencies had contributed more than \$350 m. worth of civilian relief supplies to South Korea since July 1950.

18 Aug.—U.N. forces attacked Communist positions in the Hwachon reservoir area under cover of a heavy artillery barrage.

19 Aug.—The Communist delegation complained of an allied infringement of the conference area which was alleged to have caused the loss of a Chinese soldier by rifle fire. A mixed inspection mission was dispatched to the scene.

Allied forces maintained their initiative on the east-central front and secured a mountain pass north of Yanggu. Other hill positions were captured around Kansong. Allied attacks in the centre were repulsed by heavy enemy fire. Air engagements in which two Communist jet fighters were reported to have been shot down took place over the Sonchon and Sinuiju regions.

20 Aug.—The U.N. Command, after investigation which failed to identify the assailants of the Chinese patrol as members of U.N. forces, rejected the Communist protest against violation of the armistice zone and suggested that the incident had been staged by a 'politically guided' group of civilians with the intention of breaking up the armistice conference. A United Nations spokesman said there were indications that a segment in North Korea, mainly political in character, desired the continuance of the war and were against an armistice unless it were

KOREA (*continued*)

based on the 38th parallel. He said this segment might have been responsible for the shooting.

U.N. forces continued their limited offensive in the central and eastern sectors against increased Communist resistance. Naval gun gave support on the east coast.

21 Aug.—The North Korean Command rejected the U.N. explanation of the neutrality zone violation, and Gen. Nam Il again called for punishment of the offenders.

Peking Radio said that the U.N. Command was seeking a twenty-mile buffer zone entirely to the north of the actual positions. The solution was emphatically rejected.

Reinforced Communist forces counter-attacked in the central and eastern sectors and recaptured some hill positions.

22 Aug.—A further protest from Gen. Nam Il alleging an air attack against a Communist vehicle inside the neutral area was rejected by the United Nations with the reply that the vehicle's passage had not been notified.

A United Nations broadcast from Tokio suggested that the Communists were using trivial and exaggerated incidents as delaying tactics which had turned Kaesong 'into a universal symbol of bad faith'. It was asserted that Kaesong had been chosen by the enemy in order to intimidate the U.N. delegates by a show of force.

Enemy forces were repulsed with heavy casualties on the east-central front, but east of Yanggu some withdrawals were made by South Korean forces. Pilots reported the moving-up towards the front of more than 2,000 enemy vehicles.

LEBANON. *Erratum.* Entry on 16 July should have read: 'Assassination of Riad Bey Es Solh (*see Jordan*).'

MALAYA. 9 Aug.—The Federation Government announced that in the first year of the Briggs plan in Johore 300 bandits had been killed and seventeen captured, and sixty-seven had surrendered, while many had died from starvation, disease or wounds. Captured documents indicated that the Min Yuen (the civilian branch of the Communist bands in Johore) was in a desperate position owing to lack of civilian support and to the activities of the security forces.

20 Aug.—Two policemen were killed and two wounded in an ambush north of Kuala Lumpur.

Terrorists suffered heavy casualties when attacked by Gurkhas in the Seremban area of Negri Sembilan.

21 Aug.—*Singapore Riots.* The Singapore Legislative Council rejected a motion to accept the findings of the Riots Inquiry Commission and to ask the Government to take action against officers blamed in the report.

NETHERLANDS. 19 Aug.—*Indonesia.* The arrival in the Netherlands was announced of Professor Soepomo, special ambassador of the

Indonesian Republic, who had come to negotiate for a change in the existing relationship between Indonesia and the Netherlands. Professor Soepomo said that Indonesia wished to change the Dutch-Indonesian Union into a normal international treaty but did not intend to end its collaboration with the Netherlands.

Western New Guinea. An official spokesman described the Indonesian claim to western New Guinea as 'untenable' and contrary to the Netherlands-Indonesian agreement of November 1949.

PAKISTAN. 12 Aug.—*India: Kashmir.* Mr Liaquat Ali, Prime Minister, sent a Note to Mr Nehru, the Indian Prime Minister, in which he repeated his demand for a withdrawal of Indian troops, accused India of intensifying hostile propaganda, and asserted that Mr Nehru had misconstrued his peace offer which he declared to be still open.

The Government issued a White Paper on 'India's war propaganda against Pakistan', in which India was accused of aiming at the undoing of partition and the liquidation of Pakistan.

17 Aug.—*Kashmir.* The Government issued a statement giving Pakistan's case against Indian control of Kashmir. It asserted that such control would give India 'a complete stranglehold over the economy of west Pakistan'.

Indian statement on Pakistani refusal to approve Indian air link with Afghanistan (*see India*).

18 Aug.—*India.* It was announced that two protests had been made to India on 23 June and 28 July, against references in speeches by Mr Nehru to the imprisonment of Abdul Ghaffar Khan in Pakistan. Mr Nehru's remarks were stated to be 'continued interference in a domestic affair of Pakistan'. No reply to the protests had been received from India.

PERSIA. 9 Aug.—After meetings of members of the two delegations a Persian member stated that it had been decided to set up a special sub-committee of the two delegations (including a representative of the A.I.O.C.) to try to reach agreement on the question of payments for oil products shipped from Persia.

At Abadan Hussain Makki, secretary of the mixed oil commission, told British correspondents that he believed there was a great danger of Soviet control of the Middle East if the negotiations failed. He accused British capitalists who held shares in the oil company of trying in every possible way and by underhand methods to bring down the Moussadek Government, and of being responsible for the Tehran riots on 15 July. Soviet propaganda tried to convince the Persians that they would not succeed against Britain without Russian help. It was in this that the great danger lay, and 'if people look to Russia instead of to their own hearts they are lost'. Both the British capitalists and the Kremlin wished that the 'nationalization talks' should fail, and he declared that 'disturbances which are organized under a red flag are the work of British capitalists'. Should the Moussadek Government fall and be replaced by a strong-arm rightist Government it would not last more than a few months 'after which comes Russian rule', and this would endanger Iraq,

PERSIA (*continued*)

Kuwait, and other places also. 'If the Near East goes up in flames', he declared, 'so will the world, therefore so will the British capitalists.'

10 Aug.—The Shah received Mr Stokes in audience. Hussain Makki arrived in Tehran 'for rest and medical treatment'.

11 Aug.—Mr Stokes, British Lord Privy Seal and head of the British delegation, told the press that he was submitting proposals to the Persians based on the principle of Anglo-Persian co-operation in the oil industry. He had told the Persians that the British staff were not prepared to work in Persia except under primarily British management. He thought his plan was 'the best Persia would get out of anybody'.

12 Aug.—Mr Varasteh, Finance Minister, told the Majlis that the country was in financial difficulties. The Majlis passed a temporary authorization for the Government to pay the cost of administering the country, including civil servants' salaries.

A broadcast from Tehran under Finance Ministry auspices said the negotiations in the oil dispute could only be conducted on the basis of British acceptance of the nationalization law of 1 May.

13 Aug.—Mr Stokes gave the Persians his proposals for settling the oil dispute. He disclosed later that under them the A.I.O.C. would cease to operate in Persia and its assets in the country would be transferred to Persia under compensation arrangements. An exchange of Notes would provide against any interference in Persian affairs.

Mr Stokes had another interview with the Shah.

Mr Makki announced in Abadan the Government's decision to spend a large sum of money on development and improvements in Khuzistan Province. He said that 580 m. rials (about £5·8 m.) would be allocated from released Persian credits in London, and an allocation from the U.S. loan of \$25 m. would also be made.

14 Aug.—Mr Harriman saw the Shah.

15 Aug.—*British Proposals.* Mr Stokes issued a statement outlining his proposals for an oil agreement.

The proposals were based on the following principles: (1) recognition by the British Government and the A.I.O.C. of the principle of nationalization; (2) the A.I.O.C. would cease to operate and its assets in Persia would be transferred to the Persian Government under compensation arrangements; (3) Persian oil should flow again as soon as possible; (4) the need for sincere Anglo-Persian co-operation for the production and marketing of Persian oil on the basis of the nationalization law of 20 March.

The plan provided that Britain should establish outside Persia a purchasing organization to buy, market, and distribute Persian oil, and should set up within Persia an agency which should provide administrative and technical services.

Its main points were: (1) the National Iranian Oil Company would own all the assets in Persia of the former A.I.O.C.; (2) arrangements between the Persian and British Government would be made to ensure that no interference would be made in Persian internal affairs by anyone engaged in the oil industry; (3) it would be to Persia's advantage to have

a contract for the sale of as much oil as possible for as long as possible (twenty-five years was suggested); (4) the N.I.O.C.'s profit would be made by selling oil f.o.b. Persia. N.I.O.C. would also be able to sell oil to other customers besides the British purchasing organization; (5) the purchasing organization would agree with N.I.O.C. on an organization with a number of Persian directors which would manage the oil fields and refinery at Abadan. It would be under the authority of N.I.O.C. and would not make a profit. The British staff would only agree to remain in Persia under an experienced and qualified management; (6) the agency would co-operate in any scheme for training Persians in the industry; (7) the N.I.O.C. would manage the distribution of oil in Persia and the refinery at Kermanshahr.

Persian Government Reactions. Hussain Fatemi, Deputy Prime Minister, announced the Cabinet's decision to reject the proposals on the ground that they did not conform to the formula suggested by Mr Harriman on the basis of which, he said, discussions could only continue on the following points: (1) the problem of the purchase of oil for British requirements; (2) the question of both parties' claims; (3) the continuance of the service of British technicians in Persia.

Mr Stokes stated that his proposals had Mr Harriman's full support. The Government sent a Note to Britain requesting the recall of Major Capper, British Consul-General in Khoramshahr, who had suggested to the press that the oil talks would stand more chance of success if Persian nationalization officials ceased interfering in oil activities in south Persia and returned to Tehran.

16 Aug.—The Shah gave audiences to Mr Harriman, Dr Moussadek, and Mr Stokes during the day.

Tehran Radio announced that the Foreign Ministry had instructed Persian missions abroad not to issue visas to British consular officials who had served in India or in British colonies.

17 Aug.—Mr Stokes issued a statement that his offer was the best he could make though he was prepared to consider slight amendments provided the principles were accepted. He said the proposals represented the 50-50 principle which would be willingly accepted by any one of a number of oil-producing countries in return for the security of a long-term contract. If the Persians rejected the offer, the purchasing commission would have to turn elsewhere for its oil.

Demonstrators of the fanatical Fedayan Islam, who were demanding the release of Gen. Razmara's assassin and warning the Government against any compromise over oil nationalization, clashed with the police in Tehran; about twelve were arrested and about six policemen injured.

Tehran Radio announced that the Stokes proposals were unacceptable as they would place Persia 'at the mercy of the British capitalists'.

18 Aug.—The Persian reply to Mr Stokes's proposals was handed over to the British delegation. It was stated that it would be published on the following day.

19 Aug.—It was announced that publication of the Persian reply had been postponed.

Deputies of all parties attacked the British proposals in the Majlis and

PERSIA (*continued*)

urged the Prime Minister not to accept them. They accused him of conducting secret negotiations and demanded that he should report to the Majlis. The Speaker said he would ask Dr Moussadek to report to a secret session on 23 August.

20 Aug.—A meeting took place between Dr Moussadek, Mr Harriman, and Mr Stokes.

21 Aug.—Mr Stokes announced that he had withdrawn his proposal and substituted a single-clause plan under which a British general manager would direct operations at Abadan and the oilfields but would be directly responsible to the National Iranian Oil Company. He had asked the Persians for a reply to the proposal by mid-day on 22 August and had made it clear that if it were rejected he would have to return to London but if accepted he would be ready to continue negotiations on other questions. The Persian Cabinet later requested an extension of the time-limit.

Mr Stokes told a press conference that the Persians had objected to the original proposals because they said the British technical board of management would only have been the A.I.O.C. in another guise. He very much regretted having had to withdraw them because 'the Persian Government insists on reading into it intentions which are not there and were never in my mind'.

The text was published of a letter to Dr Moussadek from Mr Harriman in which he said: 'In the view of my Government the seizure by any Government of foreign-owned property without paying prompt, adequate, effective compensation or working out arrangements mutually satisfactory to the foreign owner and the Government is confiscation rather than nationalization. Satisfactory arrangements are thus essential and I believe that these arrangements would achieve Iranian national aspirations, including Iranian control of the oil industry and would provide income of a magnitude that would make it possible promptly to carry out extensive developments of the economic potential of the country.' Mr Harriman also pointed out the need to run the oil industry as a 'practical commercial matter'.

Mr Mason of the A.I.O.C. said that the evacuation of the British staff was continuing and by the end of the week only 550 would be left at Abadan and only 230 in the oilfields.

22 Aug.—After receiving votes of confidence in both Houses (by 33 to nil with 3 abstentions in the Senate and by 92 to nil with 9 abstentions in the Majlis), Dr Moussadek rejected Mr Stokes's proposal for a British general manager, whereupon Mr Stokes broke off the negotiations and announced that he would leave the next day.

Persian counter-proposals handed to Mr Stokes by Dr Moussadek were broadcast by Tehran Radio. They said that Persia was prepared to sell oil at world market levels to former customers on the basis of quantities received in the past. Customers would deal directly with Persia or through an appointed agent which could be an international distribution company. The foreign staff would be allowed to remain on the basis of contracts made with them by the A.I.O.C., and the present

organization would be kept intact so far as it did not violate the nationalization law.

Abbas Mazda, a Persian engineer and spokesman of the oil board, said that Mr Stokes's proposals 'would be a disadvantage to the Persians economically and technically and would prevent Iran putting itself on the map . . . If all bridges are broken, we are going to seek our own experts, markets, and tankers. The British cannot have a sales monopoly or British management'.

PERU. 10 Aug.—Appeal to three Powers by President of Ecuador for new discussions on frontier with Peru (*see Ecuador*).

11 Aug.—Anti-Peruvian demonstrations (*see Ecuador*).

12 Aug.—Ecuador Government's allegations (*see Ecuador*).

22 Aug.—Oil. A report from Lima stated that seven oil companies in Peru, including one British-owned, had informed President Odria that they would be unable to continue operations if legislation before Congress (primarily concerned with taxes and the granting of new concessions) were enacted, as it would mean that the country's oil resources would remain unexploited. Peruvian officials were stated to have said that there was no intention on the part of Peru to nationalize and Peru wished to encourage foreign investment.

PHILIPPINES. 16 Aug.—Mutual defence treaty with the United States (*see United States*).

POLAND. 9 Aug.—Closing of information services in New York and Warsaw (*see United States*).

10 Aug.—Embassy attack on the U.S. Government (*see United States*).

13 Aug.—After a fourteen-day trial, nine Polish officers charged with treason, espionage, and conspiring to overthrow the regime were sentenced to terms of imprisonment ranging from ten years to life, deprivation of civic rights, and confiscation of property.

17 Aug.—Resignation of consul in Canada (*see Canada*).

Further protest against closing of Polish information services in New York (*see United States*).

19 Aug.—Acceptance of invitation to Japanese peace treaty conference (*see United States*).

RHODESIAS. 15 Aug.—*Northern Rhodesia*. E.C.A. advance of £3 m. (*see Great Britain*).

RUMANIA. 13 Aug.—Four Rumanians were sentenced to death for high treason and espionage for Britain. Four others were sentenced to varying terms of hard labour, deprivation of civil rights, and confiscation of property.

SOUTH AFRICA. 17 Aug.—*Bechuanaland*. The High Commissioner for Basutoland, Bechuanaland, and Swaziland issued a statement on the

SOUTH AFRICA (continued)
unanimous recommendation of the three British observers to Bechuanaland which said that the plan for a joint *kgotla* had proved impracticable

SPAIN. 20 Aug.—U.S. military mission (*see United States*).

TIBET. 19 Aug.—A report from Kalimpong (Bengal) stated that the Dalai Lama had returned to Lhasa from Yatung and that a Chinese Government delegation of five had also arrived in Lhasa.

UNITED NATIONS

ECONOMIC AND SOCIAL COUNCIL

10 Aug.—Mr Corley-Smith (U.K.) replying to Soviet charge against Britain, said Russia had, by a decree in 1946, wiped off the map the autonomous republic of Chechen-Ingush, in southern Russia, and deported its inhabitants to other regions on the ground that many of them had fought with the Germans.

13 Aug.—The Council approved, against the opposition of Russia and her satellites, a resolution urging Governments to secure adequate production and equitable international distribution of capital goods, essential consumer goods, and raw materials, and to see that supply difficulties should not interfere with the development plans of under-developed countries. The resolution was qualified by a U.S. amendment that it be carried out 'in the light of over-riding needs of defence'.

16 Aug.—*Freedom of Information.* An American resolution reaffirming certain principles of freedom of information and deplored the exclusion by Governments of *bona fide* journalists and the imposition on them of arbitrary restraints and punishments was adopted by the Social Committee by 13 votes to 3 (Russia, Poland, and Czechoslovakia).

22 Aug.—*Under-developed Countries.* The Council adopted by 14 votes to none (Russia, Poland, Czechoslovakia, and Chile abstaining) a detailed resolution on methods of financing the economic development of under-developed countries. The resolution included a recommendation to countries seeking to attract foreign capital to review their laws and administrative practices to remove all deterrents to investment and to give assurances to foreign investors about the management and control of their enterprises, the remittance of earnings and withdrawal of capital, protection of persons and property and 'compensation in case of expropriation'. Capital-exporting countries were asked to impress on their investors the importance of having due regard to the economic and social welfare of the receiving countries and to ensure that foreign investment was not used as a basis for interference in their internal affairs, also to ensure opportunities for the participation in the industry of nationals of the receiving country.

SECURITY COUNCIL

16 Aug.—*Suez Canal.* The debate opened on the resolution tabled by Britain, France, and the United States calling on Egypt to lift restrictions on international shipping in the Suez Canal. Sir Gladwyn Jebb

Britain) said he considered it unnecessary for the Council to go into the legal issues of the dispute because the Council's competence in that field was questionable and its view should depend on the existing situation. What mattered was not whether Egypt had a technical basis for the restrictions, but whether they were reasonable, just, and equitable. He said that the armistice agreement between Egypt and Israel was meant to put a definite end to hostilities and to guard against their renewal, and the restrictions should have been lifted when the armistice was signed; they were not necessary for Egypt's self-defence. Mr Austin (United States) said that in removing the restrictions Egypt would make a positive contribution to the relief of tension in the Near East. The French, Brazilian, and Turkish delegates also spoke in support of the resolution. Mahmoud Fawzi Bey (Egypt) said that any attempt to deny Egypt belligerent rights would amount to imposing a 'political settlement' which the Council was not empowered to enforce. He argued that if France, the Netherlands, Britain, and the United States were parties to the Suez Canal blockade dispute, then they should, according to the Charter, abstain from voting. He proceeded with an attack on British policy in the Middle East which he accused of adding to tension.

UNITED STATES. 9 Aug.—*Defence.* The House of Representatives passed by 348 votes to 2 the \$56,000 m. Defence Appropriations Bill to finance the three Services during 1951-2.

U.S.S.R. President Truman told the press that he had noted with interest the statement in M. Shvernik's letter to him that the Soviet Government placed no barriers in the path of intercourse between Russian people and those of other countries. This had not been true in the past, however, as there had been rigid prohibition on travel and on the reading of foreign books, the jamming of broadcasts, and a ban on the Russian wives of foreigners leaving the country to join their husbands.

Poland. The State Department ordered the closing within forty-eight hours of the Polish research and information office in New York, in retaliation for the closing by the Polish Government of the U.S. Embassy's information service in Warsaw. It protested to Warsaw against the 'unwarranted' action of Poland, which had been taken soon after Mr Molotov's visit to Warsaw.

10 Aug.—The Polish Embassy issued a statement attacking U.S. policy towards Poland, particularly in the economic field, which had become virtually one of prohibition of exports to Poland.

Foreign Aid. The House Foreign Affairs Committee, by 20 votes to nil, approved a foreign military and economic aid programme costing \$7,848,750,000 which was \$651,250,000 less than the President had requested. The total authorized for Europe was \$6,363 m., of which \$5,028 m. was for military aid; the total for the Near East and Africa was \$590 m., for Asia and the Pacific \$778,750,000, and for Latin America \$62 m.

11 Aug.—*Senators' Report on Europe.* Nine members of the Senate Foreign Relations Committee issued a preliminary report on their

UNITED STATES (*continued*)

interviews during their recent visit to Europe with Gen. Eisenhower, Mr Attlee, Mr Churchill, King Paul of Greece, the Presidents of France and Turkey, and Gen. Franco.

12 Aug.—Soviet acceptance of invitation to attend Japanese peace treaty conference (*see U.S.S.R.*).

14 Aug.—*Mutual Security Programme.* The House Foreign Affairs Committee issued a report on the programme. Foreign aid recommended was as voted on 10 August.

Czechoslovakia. The House approved a resolution urging that commercial relations with Czechoslovakia should be broken off and not restored until Mr Oatis (*see p. 380*) had been released.

Ireland. The House Foreign Affairs Committee approved a resolution in support of the unification of Ireland.

15 Aug.—*Japan.* Mr Dulles said in a broadcast that none of the nations sending representatives to San Francisco for the Japanese peace treaty conference would be allowed to alter the text of the revised draft treaty published that day. He hoped Russia did not intend to send 'a wrecking crew' to try to demolish the treaty because responsible nations would not be a party to such action. He said that the draft was the result of eleven months' negotiations in which so many nations had taken part as to make the treaty the most broadly based in history. Russia had taken 'an active though non-co-operative part'; he had had several conferences with Mr Malik, and the U.S. and Soviet Governments had exchanged ten memoranda and drafts. The Soviet Union had persistently tried to get the treaty-making done by the Council of Foreign Ministers where four nations alone would have drafted the treaty and Russia would have had the right of veto. Mr Dulles said that the most difficult problem had been that of reparations because if all just claims had been met, Japan would have been submerged by liabilities of more than \$100,000 m. He emphasized that appreciable reparations could be provided by Japan by Japanese processing of other countries' raw materials.

Mr Dulles told the press that thirty-four of the forty-nine nations invited to the peace treaty conference had accepted. The changes in the draft had satisfied some, but not all, of the points raised by India.

Revised draft peace treaty (*see Great Britain*).

U.S.S.R.: China. The *Voice of America* broadcast extracts from a secret report said to have been sent to Moscow by Mr Vladimir Rogov, head of the *Tass* agency in Peking, in which Mao Tse-Tung and members of his Cabinet were charged with sabotaging Soviet interests in the Korean war. The report stated that the Korean campaign had been persistently slowed down by ideological deviations in Mao's 'internal clique' which revealed their hostility to the Soviet Union. Mr Rogov further complained that opposition to the Soviet course was growing both within and without the Chinese Communist Party.

16 Aug.—*Japan.* U.S. Note to Russia *re* Japanese peace treaty conference (*see U.S.S.R.*).

Mr Truman told the press that arrangements for the signing of the

Japanese peace treaty could not be upset by the Soviet Union or anyone else.

Philippines. It was announced in Washington and Manila that the United States and the Philippines had agreed to execute a mutual defence treaty in which both nations would express their common determination to defend themselves against attack and their joint cognition that an armed attack in the Pacific area on either one would be dangerous to the peace and security of the other.

Foreign Aid. Mr Truman expressed to leaders of both parties in the Senate his concern over the campaign to reduce foreign economic aid and urged them to resist any attempt to reduce the appropriations requested. He said that for every dollar of aid cut from the Bill, it was estimated there would be a \$4 loss in European defence production.

South Korea. Dr Yang, South Korean Ambassador, presented a request to the State Department for the immediate payment of \$100 m. or supplies to U.S. forces in Korea. He said that similar requests would be made to other U.N. countries with troops in Korea.

Canadian representations *re* Mr Norman (see Canada).

17 Aug.—**South Korea.** State Department officials said in regard to the South Korean request for \$100 m., that apart from the over-valuation of the South Korean currency, the United States was not firmly committed to repay South Korea for the local monies used by services and supply which, it was pointed out, had helped U.S. forces to save South Korea from Communist invasion.

MacArthur Inquiry. Members of the Senate Armed Services and Foreign Relations joint committee decided by 20 votes to 3 against issuing a formal report on the inquiry into the relief of Gen. MacArthur. It was decided, however, that Senators would be permitted to file their findings for insertion in the official record of the investigation. Senator Russell, Chairman of the Armed Services Committee, who presided at the inquiry, said the hearings had produced three substantial results. First, in the event of the failure of the Korean peace talks, the hearings would contribute to a better understanding with other U.N. allies and would lead to a more vigorous prosecution of the war. Secondly, the inquiry had been at least somewhat responsible for a U.S. policy shift in regard to Formosa and the adoption of a U.N. economic blockade of the Chinese Communist coast. Thirdly, it had forced a definite U.S. policy in the Far East which had been lacking.

The text was issued of a memorandum submitted to the joint committee by Mr Harriman in which he rebutted in detail charges that the Yalta agreement had been a 'sell-out' to Russia on the part of the United States and Britain.

U.S.S.R.: Lease-Lend. A Soviet official suggested to the State Department a resumption of the lease-lend negotiations which had been broken off on 7 May.

Exports to Soviet Bloc. The Senate Foreign Relations Committee approved unanimously legislation (known as the Battle Bill) to cut off military and economic aid to nations found to be exporting war materials to countries in the Soviet *bloc*.

UNITED STATES (*continued*)

Poland. The Polish Embassy issued a new note of protest against the closing of the Polish information services in New York.

Foreign Aid. The House passed the President's Foreign Aid Bill after cutting \$350 m. specifically from economic aid to Europe in addition to the cut of \$651,250,000 made by the Foreign Affairs Committee. The total of aid approved by the House was \$7,498,750,000. (The amount requested by the President was \$8,500 m.)

18 Aug.—*U.S.S.R.* The State Department received a Note from the Soviet Government stating that the U.S. decision to cancel the U.S.-Soviet trade agreement of 1937 was contrary to the recent Congressional message to the Supreme Soviet and to President Truman's message to Mr Shvernik, Chairman of the Supreme Soviet, which spoke of efforts to improve Soviet-American relations. The Soviet Government considered the decision to be aimed at further worsening relations.

19 Aug.—*MacArthur Inquiry.* Eight Republican members of the Joint Senate Committee on Armed Services and Foreign Relations published a statement of their views on the inquiry. The report condemned the method of removing Gen. MacArthur, the Yalta Agreement, and the Administration's policy as one of 'appeasement', and said that any Korean settlement south of the Yalu River would constitute a Communist victory. It also criticized the refusal to accept help from the Chinese Nationalists and stated that support from the allies (except Turkey) had been inadequate.

Poland: Japan. The State Department announced that Poland had accepted the invitation to attend the Japanese peace treaty conference.

20 Aug.—*U.S.S.R.* President Truman sent to both Houses of Congress the letter received from Mr Shvernik (*see pages 474-5*) enclosing the resolution passed by the Supreme Soviet in reply to Mr Truman's message and the Congressional resolution expressing friendship for the Soviet people. In an accompanying message to Congress, the President deplored the absence of an assurance that Soviet hostile and expansionist policies would be changed, and he therefore urged Congress to enact legislation for his proposals for national security and world peace. He requested in particular that Congress should restore the cut of \$30 m. made by the House in appropriations requested for *The Voice of America*.

Mr Truman also said that if the Soviet Government really desired peace it could stop flouting the United Nations' authority, supporting armed aggression in defiance of the United Nations, and supporting subversive movements in other countries. He also challenged the Soviet Union again to be more liberal with fundamental human rights and to join in good faith in seeking disarmament and control of atomic energy.

Spain. The Defence Department announced that a mission had been sent to Spain to survey air and naval bases which might be leased by the United States.

Mr Eden emphasized in a speech at Chicago that the western Powers' rearmament policy was designed as a deterrent to aggression and to make possible negotiation from strength. He considered the Atlantic

treay admirable for its area but inadequate to meet the Communist challenge, and he called for something much wider and more general which would take account of the demands of every front. He spoke of the Commonwealth's opportunity for leadership, of the cracks behind the Iron Curtain in the fabric of Soviet tyranny, and concluded with a warning that Anglo-American co-operation was essential if existing dangers were to be surmounted.

U.S.S.R. Mr Price, Democratic member of the Joint Atomic Energy Committee, said that Russia had more, bigger, and more powerful atom bombs than was previously believed and he would seek to increase the amount voted by the House Appropriations Committee for civil defence.

Proposed French-U.S. talks on Indo-China (see *France*).

Appropriations. The House voted for civil defence only \$65,255,000 of the \$535 m. requested by the Administration and for the economic stabilization agency only \$75 m. of the \$141 m. requested. It reduced the total of \$115 m. requested for the State Department's information programmes, including the *Voice of America* service, by \$30 m., and the Senate Appropriations Committee voted to reduce it by \$52 m.

21 Aug.—U.S.S.R. U.S.-Soviet lease-lend negotiations were resumed.

22 Aug.—*Japanese Peace Treaty.* Mr Acheson announced that after consultation with various interested Governments the United States had invited to the peace conference the three Associated States of Indo-China-Laos, Cambodia, and Viet-Nam. In answer to a question he said that there had been no change in the decision of the United States and Britain that after the signing of the treaty Japan would herself decide on her future relations with China.

Foreign Aid Administration. Mr Sawyer, Secretary of Commerce, published a letter sent by him to Senator Connally, chairman of the Foreign Relations Committee, criticizing as unsound, difficult of achievement, and expensive, the proposal to create an independent agency to administer foreign aid.

U.S.S.R.: *Lease-Lend.* The Russian delegate at the resumed negotiations stated that the Russian offer of \$240 m. was not final. He also said that Russia would return two ice-breakers but would maintain her refusal to return 670 other lease-lend vessels on the ground that the United States did not need them and had promised to sell them to Russia. The U.S. delegate reminded the Russians that the United States had offered to sell the ships as part of an overall payment which had not been forthcoming.

U.S.S.R. 12 Aug.—*United States: Japan.* A Note accepting the invitation to attend the Japanese peace treaty conference at San Francisco was handed to the U.S. Ambassador. It stated that Mr Gromyko, Deputy Foreign Minister, would head the Soviet delegation.

15 Aug.—*Voice of America* broadcast of report from Tass agent in Peking to Moscow re Chinese opposition to Soviet policy in Korea (see *United States*).

U.S.S.R. (continued)

United States: Japan. The U.S. Embassy sent to the Foreign Office a copy of the final text of the proposed peace treaty with Japan.

16 Aug.—*United States: Japan.* An American Note which was received at the Foreign Office acknowledged Soviet acceptance of the invitation to attend the Japanese peace treaty conference and pointed out, in order to prevent subsequent misunderstanding, that the conference was for the conclusion and signature of the final text of the peace treaty and not for the re-opening of negotiations on the terms. The Note also stated that these terms had been decided on after intensive multipartite negotiations, in which the Soviet Union had participated. The Soviet Union had therefore had the opportunity to shape the various revisions which had resulted in the final text. Every nation at the treaty would have opportunity for exposition of the treaty.

17 Aug.—Soviet proposal for resumption of lease-lend negotiations (see *United States*).

Japan. The press and radio announced that the Soviet delegation to San Francisco would present new proposals for a Japanese peace treaty.

18 Aug.—Note to United States on cancellation of 1937 trade agreement (see *United States*).

20 Aug.—Mr Truman's message to Congress re Supreme Soviet resolution (see *United States*).

21 Aug.—Resumption of lease-lend negotiations (see *United States*).

22 Aug.—Lease-lend negotiations (see *United States*).

WEST INDIES. 11 Aug.—*Montserrat.* Police reinforcements were reported to have sailed from Antigua for Montserrat following rioting there at two cotton estates. Five people were arrested and the situation was said to be easier.

WORLD ZIONIST CONGRESS. 14 Aug.—The twenty-third World Zionist Congress opened in Jerusalem and was attended by about 480 delegates from sixty countries.

YUGOSLAVIA. 11 Aug.—Eleven Russian citizens were sentenced to imprisonment ranging from three to sixteen years for espionage on behalf of the U.S.S.R.